

## KINDERGARTEN THROUGH GRADE 12 EDUCATION

Program 035

### SPI - Institutional Education

#### Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
<b>2005-07 Expenditure Authority</b>	38,757		38,757
<b>Supplemental Changes</b>			
Pension Plan 1 Unfunded Liability		28	28
Pension Rate Correction	18		18
Enrollment/Workload Adjustment, SPI	(2,379)		(2,379)
K-12 Inflation	12		12
<b>Subtotal - Supplemental Changes</b>	(2,349)	28	(2,321)
<b>Total Proposed Budget</b>	36,408	28	36,436
Difference	(2,349)	28	(2,321)
Percent Change	(6.1)%	100.0%	(6.0)%

#### SUPPLEMENTAL CHANGES

##### Pension Rate Correction

The pension rates used to calculate state funding for basic education programs in the original biennial budget were incorrect. The correction results in an increase in state funding for the 2005-06 school year and a decrease in state funding for the 2006-07 school year.

##### Enrollment/Workload Adjustment, SPI

Total institutional enrollment is lower than anticipated in the original budget, decreasing by 91 in the 2005-06 school year (from 1,915 to 1,824) and by 83 in the 2006-07 school year (from 1,899 to 1,816).

##### K-12 Inflation

Inflation adjustments for non-employee related costs are provided in the budget for K-12 basic education programs. The inflation forecast for Fiscal Year 2006 has changed from 2.0 percent to 3.1 percent and for Fiscal Year 2007 from 1.4 percent to 2.1 percent. The inflation adjustment is not changed once the school year has started, so no changes are made for the 2005-06 school year. A budget adjustment is made for the 2006-07 school year, taking into account the higher inflation in the current year and the coming year. This adjustment results in a budget inflation rate of 4.7 percent for the 2006-07 school year.